

Until and unless signed by all parties, this term sheet is non-binding and only represents an expression of interest

This Letter of Intent sets forth the terms and conditions of the proposed purchase by Serene Investment Management, LLC or affiliates ("Buyer") of the GHP Facility (defined below) and Assets (defined below), and to provide post-petition financing.

Entity: YogaWorks, Inc. and any related entities (the "Company").

Consideration: Total consideration of \$3,850,000 ("Total Consideration") for the purchase of the \$10,000,000 GHP Senior Secured Facility of the Company ("GHP Facility"). GHP, the Buyer and the Company have agreed to the following with respect to the Total Consideration:

\$[] to be paid directly to GHP on account of the purchase of the GHP Facility)

\$[] to be used as a Post-Petition DIP Super Priority Financing ("DIP Loan") with terms including, but not limited to:

- One draw upon entry of Court Order
- No Interest
- Forgiven upon consummation of Asset Purchase
- Cash collateral budget to be agreed by GHP, Buyer and Company and customary covenants and agreed upon variances to ensure DIP Loan is used as set forth in the budget. Any unused portion of the DIP Loan shall be returned to Buyer who shall immediately remit same to GHP.
- The GHP Facility shall not accrue interest and no fees shall be paid in connection therewith.
- In exchange for GHP agreeing to allow a portion of the Total Consideration to be utilized for the DIP Loan, any chapter 11 plan submitted by the Company will include a release of GHP and its affiliates, officers, directors and employees, etc., to the maximum extent permitted by law.

Credit Bid: Buyer's initial credit bid shall be \$[Total Consideration minus DIP Loan] of the GHP Facility and forgiveness of the DIP Loan (the "Credit Bid Amount") for all assets of the Company (the "Assets"), excluding the Excluded Assets (defined below) of the Company ("Asset Purchase") pursuant to a stalking horse agreement which will include, but not limited to:

- Break-up fee of 3% of the Asset Purchase consideration
- Minimum initial overbid of \$100,000 plus the Break-up fee.
- Bid increments of \$50,000
- Buyer may overbid in cash or credit

Deposit: In exchange for the Limited Exclusivity/Breakup Fee described below, Buyer will remit a \$100,000 non-refundable deposit ("Deposit") to be held in trust by legal counsel to either the Company or GHP and be allocated 50% to the Company and 50% to GHP and will be credited.

Limited Exclusivity/Breakup Fee: Until the Petition Date (defined below) GHP and the Company will notify the Buyer of any offers with aggregate consideration exceeding the Total Consideration by \$1,000,000 ("Overbid"). If Buyer is unwilling to match the Overbid, and a sale of any combination of the GHP Debt and the Assets, is consummated for not less than an amount equal to the Overbid, Buyer will receive within ___ days following the closing of said sale (a) \$50,000 plus (b) 25% of the aggregate of: the Overbid minus \$50,000, minus \$3,850,000, and (c) a return of the Deposit.

Until and unless signed by all parties, this term sheet is non-binding and only represents an expression of interest

Targeted Chapter 11 Filing Date: October 2, 2020 (such filing date, the "Petition Date")

Expenses: Company shall be responsible for all operational and bankruptcy related expenses of the Company until closing of the Asset Purchase. Buyer shall be responsible for its own due diligence, oversight, and bankruptcy costs until Sale Closing.

Conduct of Business: Company will conduct its business in accordance with the ordinary, usual and normal course of business heretofore conducted by it. No MAC's for the digital business may occur through Chapter 11 filing date.

Collateral: Customary DIP loan collateral. GHP loan collateral per existing GHP agreements.

Chapter 11 Plan: The Company intends to consummate a plan of reorganization under Chapter 11 of the US Bankruptcy Code whereby certain creditors junior in priority to the GHP facility will receive distributions. To facilitate the Company's Chapter 11 Plan, Buyer will waive all secured and unsecured claims upon consummation of the Asset Purchase if Buyer consummates a transaction.

Bankruptcy Cure Costs: Buyer intends to cure its HQ lease located on Main Street in Santa Monica, which has a contractual cure cost of approximately \$180,000. Without limiting the generality of the foregoing, Buyer does not anticipate retaining any leases unless an advantageous cure and % rent deal can be worked out in which case Buyer may elect to add individual cures on top of the Purchase Price but may elect to cure nothing in its sole discretion.

Excluded Assets: The Excluded Assets, include, but are not limited to: (a) all cash, and cash equivalents, cash accounts, monies held or on deposit owned or held by the Company including in any savings accounts, checking accounts, certificates of deposit, money market accounts or other bank accounts; (b) all promissory notes receivable, accounts receivable and other receivables owned or held by the Company; and (c) any and all claims for relief and/or causes of action held by the Company against any third party, including but not limited, any fraudulent and/or preferential transfer(s) as provided under the Bankruptcy Code.

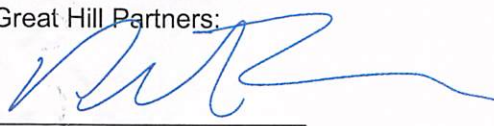
Buyer:

Company:

Adam Phillips
Principal
Serene Investment Management, LLC

Brian Cooper
CEO
YogaWorks, Inc.

Great Hill Partners:



Peter Garran
Partner
Great Hill Partners

Until and unless signed by all parties, this term sheet is non-binding and only represents an expression of interest

Targeted Chapter 11 Filing Date: October 2, 2020 (such filing date, the "Petition Date")

Expenses: Company shall be responsible for all operational and bankruptcy related expenses of the Company until closing of the Asset Purchase. Buyer shall be responsible for its own due diligence, oversight, and bankruptcy costs until Sale Closing.

Conduct of Business: Company will conduct its business in accordance with the ordinary, usual and normal course of business heretofore conducted by it. No MAC's for the digital business may occur through Chapter 11 filing date.

Collateral: Customary DIP loan collateral. GHP loan collateral per existing GHP agreements.

Chapter 11 Plan: The Company intends to consummate a plan of reorganization under Chapter 11 of the US Bankruptcy Code whereby certain creditors junior in priority to the GHP facility will receive distributions. To facilitate the Company's Chapter 11 Plan, Buyer will waive all secured and unsecured claims upon consummation of the Asset Purchase if Buyer consummates a transaction.

Bankruptcy Cure Costs: Buyer intends to cure its HQ lease located on Main Street in Santa Monica, which has a contractual cure cost of approximately \$180,000. Without limiting the generality of the foregoing, Buyer does not anticipate retaining any leases unless an advantageous cure and % rent deal can be worked out in which case Buyer may elect to add individual cures on top of the Purchase Price but may elect to cure nothing in its sole discretion.

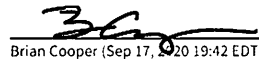
Excluded Assets: The Excluded Assets, include, but are not limited to: (a) all cash, and cash equivalents, cash accounts, monies held or on deposit owned or held by the Company including in any savings accounts, checking accounts, certificates of deposit, money market accounts or other bank accounts; (b) all promissory notes receivable, accounts receivable and other receivables owned or held by the Company; and (c) any and all claims for relief and/or causes of action held by the Company against any third party, including but not limited, any fraudulent and/or preferential transfer(s) as provided under the Bankruptcy Code.

Buyer:



Adam Phillips
Principal
Serene Investment Management, LLC

Company:


Brian Cooper (Sep 17, 2020 19:42 EDT)

Brian Cooper
CEO
YogaWorks, Inc.

Great Hill Partners:

Peter Garran
Partner
Great Hill Partners